



TO: General Assembly
From: Iowa Department of Education
Subject: Management of the 1.5% Across the Board Budget Cut
Date: January 20, 2009

The Iowa Department of Management provided the Iowa Department of Education (Department) a list of appropriations subject to the 1.5% across-the-board cut. This is a summary of the adjustments made per that action.

- 1. Appropriations under the Iowa Department of Education Budget category managed by other agencies.

Several other agencies are funded through the Department's appropriation. We believe each of these entities will detail how the ATB cut will be managed.

State Library

Fund	Appropriation	ATB Cut
State Library	\$1,938,076	\$29,071
Regional Library	\$1,586,000	\$23,790
Enrich Iowa	\$1,823,432	\$27,351

Director Mary Wegner writes:

To manage the 1.5% cut of \$29,272 to the State Library operating budget, we will reduce purchases of books and e-resources for the law library and the library in the Miller Building. The cut will result in a decrease in informational resources available to Iowans.

To manage the 1.5% cut of \$27,351 to the Enrich Iowa program, we will reduce – by 3.32% — each of the library reimbursement checks, which will be sent this month to 497 public and college libraries in Iowa, for their participation in the Open Access and Access Plus resource sharing program. More than four million library items were loaned through these programs, and the Enrich Iowa funding partially reimburses the libraries for their costs in loaning their materials to Iowans outside their funded service area.

Enrich Iowa funding is made up of three programs — Direct State Aid to public libraries, Open Access, and Access Plus. The Direct State Aid checks had already been distributed at the time of the budget cut, so we had to reduce Open Access and Access Plus by 3.32% in order to meet our target budget cut amount.

The State Library has 19 state-funded positions; none are open at the present time. We have suspended state-funded out-of-state travel.

Division of Vocational Rehabilitation Services

Fund	Appropriation	ATB Cut
Vocational Rehab	\$5,833,123	\$87,497
Entrepreneurs w/ Dis.	\$ 200,000	\$ 3,000
Independent Living	\$ 56,565	\$ 848
Centers for Ind. Living	\$ 250,000	\$ 3,750

Director Wooderson writes:

The spreadsheet provided to the Legislative Services Agency (LSA) shows savings anticipated by Iowa Vocational Rehabilitation Services (IVRS) from unfilled vacant positions and temporary workers that are no longer employed. These savings all relate to the I67 appropriation and exceed the 1.5% reduction.

Additionally, IVRS will reduce the number of staff and state council members attending the spring conference for the Council of State Administrators of Vocational Rehabilitation. This conference is held in Washington, D.C. each year in April. Savings from sending only one staff person are calculated to be \$1,704 in state appropriated funds.

IVRS is also curtailing office supply purchases. It is difficult to identify a precise savings amount here. IVRS is working so that these cuts do not touch client services.

Savings from unfilled vacant positions and temporary staff:	\$93,439
Savings from reduced out-of-state travel:	<u>\$ 1,704</u>
Total Savings	\$95,143

I67 1.5% reduction	\$87,497
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Savings in the I68 (\$848) and I80 (\$3,000) appropriations will be realized from reduction in travel (in-state) and by limiting supply purchases. There are no vacancies to hold in either appropriation. Savings in the I92 appropriation (\$3,750) will be realized by reducing the funds passed through to the independent living centers.

Iowa Public Television

Fund	Appropriation	ATB Cut
Reg. Telecomm. Council	\$1,364,525	\$ 20,468
IPTV	\$9,085,141	\$136,277
IPTV Mobile Unit	\$ 699,272	\$ 10,489

2. Appropriations not subject to the ATB cut

Per guidance from the Department of Management, if a given fund was entirely distributed prior to the enactment of the ATB cut, that distribution was not reduced. Additionally, RIIF funds were not reduced. The following appropriations fall into that category:

Fund	Appropriation	ATB Cut
Direct Instruction Pilots	\$50,000 (redirected in 08)	0
Class Size/Early Interv.	\$29,250,000	0
Statewide Date Ware.	\$600,000	0
Private Instruction	\$146,000	0
Before/After Grants – RIIF	\$505,000*	0
ICN Part III Leases	\$2,727,000	0
Skills Iowa Tech Grant	\$500,000	0
Iowa Learning Tech Grant	\$250,000*	0
CC Infrastructure	\$2,000,000*	0
Ag Center	\$80,000	0

*Funds have not been expended yet.

3. Appropriations to various stakeholders that still had pending payments that will be adjusted down to meet the ATB cut.

In many cases, a given appropriation was intended for a specific stakeholder group and was being distributed in payments across the fiscal year. In those cases, the stakeholders will adjust their capacity locally in various ways to accommodate the ATB cut. In all of these cases, the 1.5 ATB cut will be distributed evenly over the remaining payments and the local entity will move forward with less funding in the best way possible.

Fund	Appropriation*	ATB Cut
School Foundation Aid	\$2,224,429,458	\$33,366,442
Ed. Excellence	\$ 55,469,053	\$ 832,036
Instructional Support	\$ 14,428,271	\$ 216,424
IA Western Deaf Interpret.	\$ 200,000	\$ 3,000
Nonpublic Textbooks	\$ 7,665**	\$ 7,665

Community Coll Gen. Aid	\$ 183,062,414	\$ 2,745,936
4-year-old Preschool	\$ 15,370,040	\$ 230,551
I-JAG	\$ 600,000	\$ 9,000
Administrator Mentoring	\$ 250,000	\$ 3,750
Senior Year Plus	\$ 1,900,000	\$ 28,500
CDCC – Shared Visions	\$ 12,606,196	\$ 189,093
Empowerment – Grants	\$ 22,302,006	\$ 334,530
Emp. – Fam. Support	\$ 5,000,000	\$ 75,000
Emp. – Early Child.	\$ 10,000,000***	\$ 150,000
Nonpublic Transportation	\$ 8,604,714	\$ 129,071

*Includes any carry-forward from FY08

**Remaining funds after initial distribution in fall

***This reduction includes reductions to the following subappropriations:

Before/After Grants	\$8,925
Early Head Start	\$1,500
Voc Ag Youth	\$ 750
DOM Emp. Office	\$4,500
DOM Prof. Dev.	\$15,000
IPTV Ready to Learn	\$1,500

4. Appropriations pending possible decision to back-fill the ATB cut through interappropriation transfer

The Iowa Department of Education (Department) believes it has additional funding remaining in the 4-year-old preschool appropriation that could be carried forward to FY10. These funds were unspent do to a larger-than-expected gap between grant proposals for preschool funding and actual certified preschool counts. The Department has requested that the Governor's Office consider recommending that excess funding in this appropriation be used to back-fill ATB cuts in several other appropriation lines. The back-filling, if approved, would be used to replace ATB reductions in appropriations that have federal match implications and for the priority Iowa Core Curriculum work and salary enhancement dollars. The following funds were recommended for full or partial back-fill.

<u>Fund</u>	<u>Appropriation*</u>	<u>ATB Cut</u>
Voc Ed Salaries/Support	\$ 651,572	\$ 9,774
School Food Service	\$ 2,509,683	\$ 37,645
Vocational Education	\$ 2,936,904	\$ 44,054
IDEA Part C	\$ 1,721,400	\$ 25,821
Comm. College Salaries	\$ 1,500,000	\$ 22,500
Core Curriculum	\$ 2,192,351	\$ 32,885
Teacher Quality	\$250,012,548	\$1,153,418**

*Includes any carry-forward from FY08

**Original ATB cut was \$3,750,188. If request to transfer is successful, \$2,596,770 would be moved into the TQ fund from the preschool fund making the final cut the amount listed.

5. DE General Administration

<u>Fund</u>	<u>Appropriation</u>	<u>ATB Cut</u>
General Administration	\$9,152,740	\$137,291

The Department will recoup the bulk of this reduction through salary savings for the first half of the fiscal year and by not filling General Administration current vacant positions. These savings will be applied to this reduction.

Additionally, we are working to reduce in-state travel and out-of-state travel using state dollars must go through the IDOM approval process. We are working to eliminate paper through the use of EFTs, electronic contract and claims tracking, and the use of the web for information disbursement. Equipment and supplies purchases have been reduced to emergency needs only.